

June 27, 2013

Vermont Community Development Program

Public Hearing: Community Development Block Grant-Disaster Recovery

Bugbee Senior Center, White River Jct., VT

Vermont Community Development Program (VCDP) Director Josh Hanford opened the public hearing on the Community Development Block Grant – Disaster Recovery Action plan at 3:30 p.m.

Ann Kroll (AKK) kicked off the meeting at 3:35p.m. with the introductions of the VCDP staff. Mr. Josh Hanford (JH) provided an overview of the Federal Register Notice, and the \$17,932,000 funding for which the State of Vermont is eligible through HUD.

**Public Comments received:**

Public Question: Can CDBG-DR money be used to pay down loans that businesses took out to cover damage to businesses?

JH (VCDP): Business assistance is available through funding that has been awarded to the GMEDC and BDCC. CDBG-DR funds cannot be used to pay off or pay down loans. If a business was able to receive a loan, federal disaster recovery Duplication of Benefit requirements considers the businesses needs met with the loan. However, other assistance to address other unmet needs for that business may be available.

Public Comment: The funding is too slow to reach businesses that were affected by the disaster; money has not been received by some businesses even close to 2 years after the disaster that impacted the state (Tropical Storm Irene)

Public Comment: Make PowerPoint slides available to attendees and others.

Public Question: Can CDBG-DR funds be available to assist individuals with both the 25% match for the HMGP buyouts, and then help assist individuals with down payment on replacement home assistance?

JH (VCDP): Yes, with some income restrictions. A \$3.5M state-direct award was granted to the statewide network of Home Ownership centers. Individuals who need assistance with relocating or homeownership counseling should be directed to the staff at Gilman Housing Trust (now DBA as Rural Edge) as the statewide administrator of the grant or to the nearest regional Homeownership Center.

Public Question: Concerning the HMGP in-eligible buyouts, can CDBG-DR money be used to purchase the property at the same value as the HMGP approved buy-outs?

JH (VCDP): The property values used for the HMGP approved buyouts are based on pre-flood appraisal process that allows appeals. The HMGP in-eligible or CDBG-DR only buyouts will be based on the pre-flood tax assessed value only, and CDBG-DR funds will not augment the difference should individuals choose to appeal the value that is approved by the state. This valuation method has been applied for consistency, efficiency, speed and to ensure there are adequate CDBG-DR funds available to assist all “buy-outs” move forward.

Public Question: Homes that were demolished immediately after the storm (TS Irene) are not eligible for the HMGP buyouts as work was completed prior to the properties being approved. Will CDBG-DR II funds be used to cover the expense of these projects that were ineligible?

JH (VCDP): Yes, using the pre-flood tax assessed valuation method. Funding is also being considered for additional work on the HMGP approved properties (e.g., additional stream bank stabilization, landscaping, parking, planting of riparian buffer zones, etc.)

Public Question: Can money be used for a private (non-profit) entity to complete a bank stabilization/retaining wall project that was not approved by FEMA?

JH (VCDP): The state of Vermont is seeking information on these types of projects; please submit a Letter of Interest (LOI). These LOIs will be helpful as the State develops the Action Plan. This work is eligible but the funding will likely be competitive if your organization chooses to apply.

Public Question: What will be allocated to municipalities for infrastructure projects, and what will be allocated to assist businesses with unmet need?

JH (VCDP): The State will use the information that we receive from the LOIs and other sources to help determine how the funds will be allocated.

Public Question: Can businesses be served/awarded grants and or loans if they received funding through the first CDBG-DR round of funding?

AKK (VCDP): Yes

Public Comment: As a business owner, it is a daunting task to complete all of the paperwork required to get financial assistance that is needed. There is a need for additional funding to assist businesses with the application process.

Public Question: How will the State prioritize the money? Can infrastructure projects in communities that meet the Area Wide Benefit go towards the HUD requirement to benefit LMI?

JH (VCDP): Yes, the State has to award a minimum of 50% of the funds to projects that benefit persons defined as being LMI. The State is obligated to fund projects consistent with HUD's requirements as defined in the Federal Register.

Public Comment: I highly recommend that the State structures the allocation following the same process used in the first round, and encourage businesses to apply for financial assistance through the Regional Development Corporations (RDC).

AKK (VCDP) to one of RDC Representative (BDDC): Do the RDCs have the capacity to address new applications from businesses?

RDC Representative (BDCC): Any new application to fund a program to assist businesses affected by disasters would include a higher budget for administrative staff expenses. Businesses are reluctant to take on additional debt through disaster recovery loans.

RDC Representative (GMEDC): RDCs have the flexibility to propose alternative loan structures to businesses.

AKK (VCDP): The target is to begin accepting new applications around mid-October 2013.

Public Question: Does the State have an accurate number of what the unmet housing needs are? What are the outstanding municipal infrastructure needs?

JH (VCDP): The Regional Planning Commissions have been assisting the State in collecting this information. Many municipalities have been submitting LOIs, and the State is using this information to determine the unmet needs.

Public Question: If flooding becomes repetitive, where will towns get money to assist in studying where the future growth centers should be located?

JH (VCDP): Community Planning & Revitalization has funding available through municipal planning grants and other resilience planning efforts to assist with long term studies such as these.

Public Question: The NFIP offers a community rating system that may help reduce the cost of flood insurance. This requires the town to conduct studies of the floodplain and implement more stringent regulations. Where does the money to accomplish this come from? ANR does not have money for this, nor money to update "choke point" and other floodplain data and maps.

JH (VCDP): RPC's have access to funding to assist with the updating of floodplain regulations.

Public Question: The State has no system and lacks the capacity to respond quickly to large number of people who are displaced from their homes as a result of a disaster. How can CDBG-DR funds be utilized to increase the housing capacity? Can efficient homes be developed to relocate individuals who were displaced by Irene?

Public Response: Perhaps Vermont needs to address our disaster response through a legislative process.

JH (VCDP): As Vermont does not have a strong county government system, the State has relied upon established organization such as RPCs, CAPs and non-profit housing organizations to gain capacity and to most efficiently provide crucial services to towns and individuals.

Public Comment: Counseling of victims affected by Irene is difficult as many of those affected by the storm had housing issues that were not ideal prior to the storm and after addressing the issues caused by Irene they still have unmet needs that are not related to Irene and are not eligible for more assistance.

AKK (VCDP): CDBG-DR funds can potentially cover the expense of replacement housing.

Public Comment: Beyond the HMGP 25% match, there is still a great need to assist individuals after the completion of the buyouts.

Pubic Question: Where do people who are eligible for the buyout get assistance with homeownership or who can't afford their new rent?

AKK (VCDP): Direct them to the homeownership centers.

Public Question: Has the State captured the existing need for housing assistance?

JH (VCDP): This is challenging to capture. The State needs the long term recovery organizations and the homeownership centers working locally to get those numbers and demonstrate what the remaining needs still are for us to allocate new funding for individual housing repair, as we still substantial have funding from CDBG-DR 1 dedicated to this need.

Public Comment: Debris removal still needs to be addressed. There are a large number of farmers who are still trying to recover due to the loss of feed, and the loss of their useful fields due to large amounts of silt and sediment being deposited on their property. Additional work is also needed to protect the stream banks. The State of Vermont generates a lot of revenue through tourism due to tourists seeking out the open landscape that is supported by our agricultural sector. Please commit money to the agricultural sector.

Hearing no additional comments the public hearing was closed at 5:23 p.m.

